



## The facts and fibs of your SRA compliance duties

**The SRA can impose significant sanctions on firms and all staff - FACT ✓**

Regulatory problems don't just impact upon your firm. Your own livelihood and finances could be at risk. Don't be fooled by the name - the Solicitors Regulation Authority (SRA) has the power to investigate any individual in a law firm. You personally have responsibility for compliance with (among other things) SRA rules and regulations. The firm, partners (or members or directors in an LLP or company), fee earners (qualified and unqualified), accounts staff and secretaries could all be brought before the Solicitors Disciplinary Tribunal or the regulator to face fines of thousands of pounds or more and be banned from future participation in legal practice. Findings of misconduct are generally published and so will likely appear in a google search against your name in the future or may be reported in local press. You could also be responsible for significant costs. Turning a blind eye to problems outside of your 'area' is not an option.

**Partners have a duty to ensure compliance throughout the whole firm - FACT ✓**

Since April 2012 partners (or members or directors in an LLP or company) have had an obligation to "ensure" compliance by the firm and other members of staff in the firm. Any individual who is not taking their compliance duties seriously poses a risk not only in terms of their personal career and finances but also to the firm and to the careers and finances of their colleagues. All principals and staff need to work together, however much they bill! Partners (and members and directors) even have a duty to replace any money which is misappropriated from clients by a staff member from their own pockets.

**That doesn't apply to salaried partners though I'm sure - FIB! ✗**

If you are referred to as a partner (in letters, emails or on your website for example) then you have the same duties as equity and senior partners. The rules are explicit on this and the Solicitors Disciplinary Tribunal (which doesn't just deal with solicitors remember!) agrees. In 2012 a solicitor who was found by the tribunal to be 'little more than an employee' but was held out as a partner was found to have 'taken on responsibilities' for compliance by the firm.

**It's the compliance officer's job to manage compliance now not mine - FIB! ✗**

Since 2013 every law firm has had to appoint compliance officers to facilitate and monitor compliance with SRA rules in respect of legal practice (the COLP) and in respect of finance and administration (the COFA). However, all staff have compliance duties and duties to report misconduct to the SRA in certain circumstances - not just the COLP and the COFA. Partners have particularly onerous duties to ensure compliance, have systems and arrangements in place to do so and to report problems to the SRA. If steps are not taken to meet the requirements of the rules then the partners, the firm and the staff may be at far greater risk than the COLP or COFA.



## Where to find your SRA compliance duties

simply follow the links below

### All staff - including support staff

All staff with access to client matters should be familiar in particular with the core ethical duties of solicitors and staff set out in the [SRA Principles](#) (including to act with integrity and in the best interests of the client) and understand how critical it is that all client information is kept confidential (including in terms of the [Data Protection Act](#)). The [SRA's Code of Conduct](#) sets out the need for [confidentiality](#) as well as other key solicitor and staff duties, including: to [take care of clients and treat them fairly](#) (including to not [discriminate](#)) and to avoid situations where the [firm or solicitors interests are conflicted](#) or at odds with the interests of the client.

### Fee earners

Fee earners must understand in particular the [SRA Principles](#); the [you and your client, publicity, client referrals, relations with third parties](#) and [SRA reporting](#) chapters of the [SRA Code of Conduct](#); and the fundamentals of the [SRA Accounts Rules](#). Solicitors and other qualified lawyers will have been trained on these requirements in the past but realistically will need refreshers, particularly on changes and practical application.

### Partners / members / directors and other supervisors of fee earning staff

As well as having a sound understanding of the same day-to-day provisions relevant to other staff, supervisors and principals should take particular care to understand the SRA's more recent emphasis on effective risk and business management. [Chapter 7 of the Code of Conduct](#) and [rule 8 \(and accompanying guidance\) of the SRA Authorisation Rules](#) are essential reading. Supervisors and managers will also want to take particular care to make sure that their book keeping is in order ([SRA Accounts Rules](#)), the firm and staff are practising only in ways permitted by the SRA (parts 1 and 2 of [SRA Practice Framework Rules](#)) and [complaints handling is properly managed](#).

### Not forgetting....

- [the SRA prohibition on involvement in separate 'lawyer like' businesses](#);
- [renewals of practising certificates, indemnity insurance and maintaining a CPD log](#);
- [activity specific rules: financial services, insolvency, property selling and court work](#);
- [money laundering regulations and POCA, Terrorism Act and Bribery Act](#).

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